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ABSTRACT

The radical restructuring of Alaska's public higher education system brought on by the state's 1986 economic collapse is discussed. The plan called for a merger of 11 community colleges with three universities into three multi-campus institutions. It realigned statewide programs in vocational technical education, fisheries and ocean sciences, international business, and rural higher education delivery. It called for the merger of a unionized community college teaching faculty with a non-unionized university faculty. The plan anticipated termination of 100 administrators and a 5% cut in system costs without significant impact on program delivery. The plan was controversial, but 2 years later, the restructuring is nearly done. Factors leading to restructuring, the restructuring decision-making process, the restructuring process, and results are discussed. Despite the most dramatic general funding reduction to an entire state public higher education system since World War II, the actions taken avoided closing entire institutions, maintained course and program offerings, and allowed the University of Alaska System to avoid the long term negative effects of exigency or significant academic program elimination. Some of the reasons this experience was different from that in other states are: the Board of Regents and President did not bow to the intense opposition to the plan, believing that no acceptable alternative existed; and the focus on restructuring was on maintenance of local program delivery with elimination of local administration rather than closure of remote or small campuses. Charts are included. Contains 43 references. (SM)

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Restructuring the University of Alaska Statewide System of Higher Education

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ABSTRACT

This paper focuses on the radical restructuring of Alaska's public higher education system brought on by the State of Alaska's 1986 economic collapse. The restructuring created three multi-campus institutions from three universities and eleven community colleges over a two-year period. Now nearly complete, restructuring yielded both benefits and costs to public higher education in Alaska.

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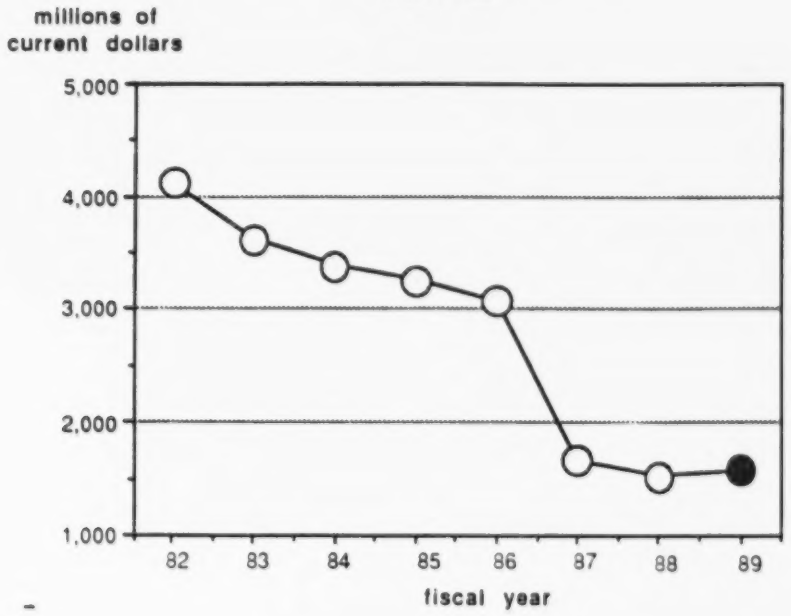
Introduction

In late 1985 and early 1986, world oil prices collapsed. Wellhead prices for oil fell from $28 per barrel in January, 1986, to below $10 per barrel in August, 1986. In a short period of time, the State of Alaska, whose budget was more than 86 percent dependent upon the price of oil, saw its total state revenues drop by more than one-third [FIGURE 1]. The governor and state legislature were forced to curtail state spending several times. For Alaska's statewide system of higher education, falling state oil revenues brought budget cuts -- four percent in FY86, ten percent at the beginning of FY87, another ten percent in the first month of FY87, and another planned fifteen percent reduction scheduled for FY88.

FIGURE 1. State General Fund Unrestricted Revenue Trends FY82 - 89



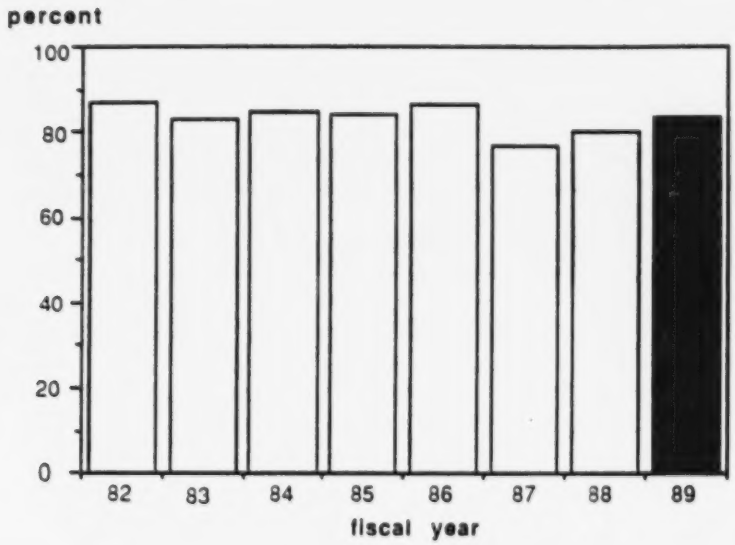
Spurred by real and proposed budget cuts, in early December, 1986, the University of Alaska Board of Regents approved a massive restructuring of Alaska's statewide system of higher education. The restructuring plan called for a merger of eleven community colleges with three universities into three multi-campus institutions. The plan realigned statewide programs in vocational-technical education, fisheries and ocean sciences, international business, and rural higher educational delivery. It called for the merger of a unionized community college teaching faculty with a non-unionized university faculty. The plan anticipated termination of nearly one hundred administrators and an additional five percent cut in system costs without significant impact on program delivery. The plan was controversial. It spawned litigation, legislation, arbitration, and a voter initiative. Now, two years later, the restructuring is nearly complete.

This paper will present how the University of Alaska System addressed these extreme and sudden reductions in state appropriations. It will trace the factors which required that restructuring be considered, document the restructuring decision-making process, detail the process of carrying out the restructuring plan, and assess the results to date.

I. Factors Leading to Restructuring

For twenty years, the fortunes of the State of Alaska have been tied to those of the OPEC oil-producing countries. As one of the United States' most significant petroleum-producing regions, Alaska benefited from the 1973 and 1979 increases in oil prices. Nearly all oil production in Alaska occurred on state-owned land, yielding royalties, and all production was subject to severence and income taxes. The value of oil production so overwhelmed other economic activity that the state became highly dependent upon petroleum income as a source of state revenues [FIGURE 2].

FIGURE 2. Portion of State General Fund Unrestricted Revenues Due to Petroleum Taxes FY82 - 89

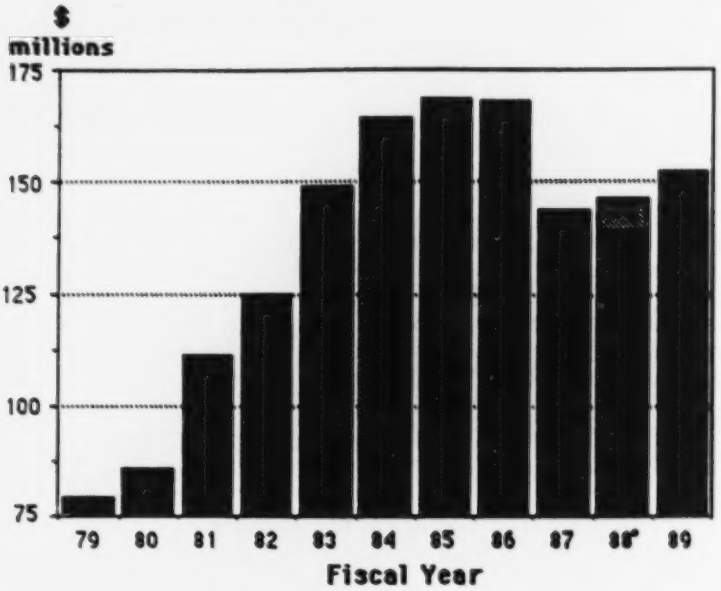


Among the principal beneficiaries of new state wealth were the public education system and the statewide system of higher education -- the University of Alaska [FIGURE 3]. A single university in 1970 grew to two, then three universities, while the number of community colleges in the system grew from two in 1970 to eleven in 1979. In 1980, the University system began its first $100 million state-funded budget, which grew to $168 million by fiscal year 1985 (1984-1985).

In 1980, the system was organized into six major administrative units:

- The University of Alaska-Fairbanks, the original university, with strengths in natural sciences, a strong research program in life sciences, marine sciences and geophysics, the only doctoral programs in the state, and a residence-based student body.
- The University of Alaska-Anchorage, a young comprehensive urban university with emerging graduate programs and new residential housing, struggling to overcome a "little brother" image to UAF.

FIGURE 3. University of Alaska
General Fund Revenue Trends FY79 - 89



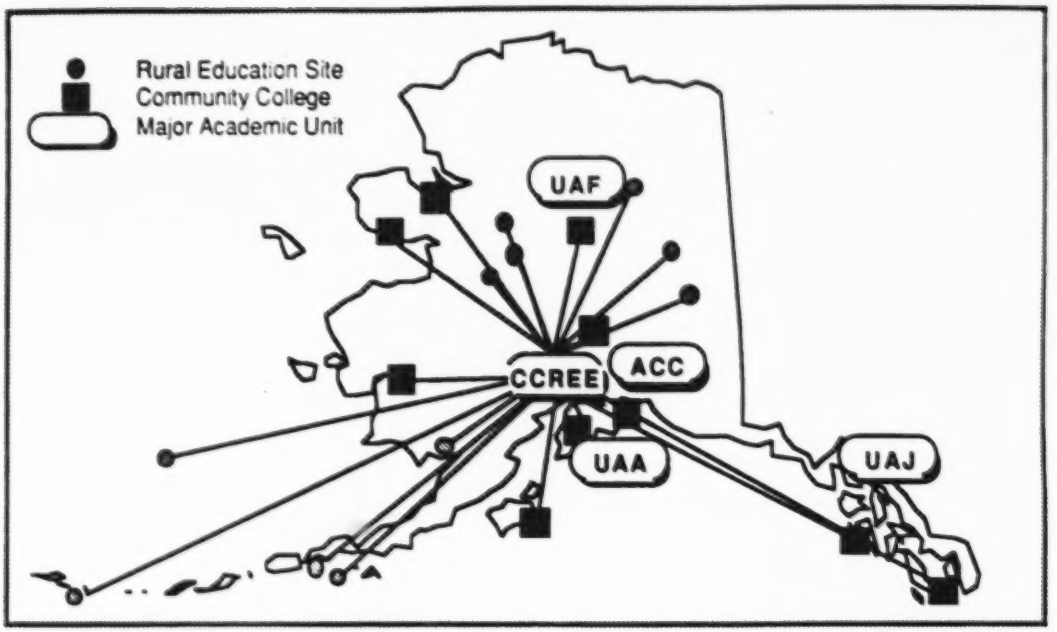
*Shaded portion represents mid-year supplemental funding

- The University of Alaska-Juneau, a small four-year college, formed by the 1978 merger of a four-year institution and a community college.
- Anchorage Community College, the state's largest community college with strong vocational and academic transfer programs and a student population of 10,000.
- Community Colleges, Rural Education and Extension, a mini-system within a system based in Anchorage, including ten community colleges ranging in size from Chukchi Community College in Kotzebue (60 FTE) to Tanana Valley Community College in Fairbanks (750 FTE), rural education centers in a dozen rural villages, and the Cooperative Extension Service.
- Statewide Programs and Services, including the system administration offices, the Sea Grant College Program, and the university computer network. [FIGURE 4].

By early 1985, the oil bubble began to shrink. Oil prices softened. The University of Alaska Board of Regents, foreseeing a period of little or no growth, called upon the administration to develop a new six year plan based on reduced expectations. The 1985 Alaska legislative session saw the first real reduction in state funding for higher education -- the university system was forced to make $7 million in reductions to pay for a $7 million cost-of-living increase for university employees. The budget stood at $168 million.

Over the fall of 1985 the university began the process of belt-tightening, shaving budgets wherever possible. While budget-cutting is always painful, most observers saw enough slack in the budget to cut expenses without major program effects. By December, however, oil prices began falling more sharply. University President Donald O'Dowd created a Budget Flexibility Task Force of university administrators to look for further belt-tightening opportunities. In January, 1986, the tumble in oil prices became a free fall. By March, revenue projections were down more than 25 percent. Alaska Governor Bill Sheffield called for a freeze on state hiring and other measures designed to save money for the remainder of FY86. The University followed suit, targeting a $2 million reduction in spending (five percent of remaining funds) for the final three months of the fiscal year.

FIGURE 4. 1980 University of Alaska System Structure



The budget for fiscal year 1987 would certainly be worse. Governor Sheffield called upon the university to reduce spending by $15 million, or nine percent; after some wrangling the legislature approved the cut. The university responded with a plan which called for reductions in out-of-state travel, elimination of all equipment purchases, a reduction in pension benefits for staff, a tuition increase, limited program reductions, and the elimination of statewide programs in nursing, a phase-out of the WAMI medical education program, and significant reductions in institutional support and academic support personnel. The plan called for elimination of 250 jobs, 175 of which were filled at the beginning of the year. The university entered the new fiscal year under difficult financial conditions, with a general fund budget of $153 million.

Throughout this process, work continued on the system Six Year Plan. Although circumstances were changing rapidly, the plan was adopted based primarily on assumptions made prior to the oil collapse. Regents adopted the plan, recognizing that many of the goals and objectives contained therein were unattainable under new expected revenues. The plan focused on three elements: Access and Excellence; Leadership and Distinction in the North; and Definition and Pursuit of Missions. Ten goals organized under these elements included:

(1) Achieving institutional and program excellence and diversity
(2) Providing high quality faculty and advising services to students
(3) Improving access to instructional programs
(4) Developing a new strategy for Native education
(5) Providing leadership in public research and economic development
(6) Achieving distinction in circumpolar and north Pacific region studies
(7) Increasing prominence in health, fisheries, trade and natural resources
(8) Enhancing the role of the regents in system governance
(9) Improving the effectiveness and efficiency of the organizational structure
(10) Increasing non-state support for the system

The ninth goal was to become the focus of the next two years. After the Alaska Legislature adjourned, state revenues fell further. On July 17, 1986, Governor Sheffield announced a general budget rescission for state agencies, giving the university a fifteen percent, or $23 million reduction. President O'Dowd notified the system chancellors that he was forming a Restructuring Team to "gather information needed for refining the statewide system and campus missions based on the strengths of each campus and the elements which permit it to be of special value to the region that is served."

II. The Restructuring Decision-Making Process

In early August, Governor Sheffield changed the rescission target to $15.3 million. President O'Dowd reported to the university community on the planned response to the Governor's request. After meeting with the five chancellors, the President would recommend to the Board of Regents a package which included:

- $9 million in reductions to teaching, research and service programs
- a declaration of financial exigency, allowing the university to reduce compensation for non-represented employees by $8 million, including reductions in teaching contract lengths
- increases in miscellaneous fees and parking charges
- restructuring of the system to "make it a smaller institution, offering fewer services to a more limited range of citizens, but retaining its quality and reputation, and preserving a basic structure on which it can build when the state's economic situation improves."

The Board of Regents balked at the declaration of exigency, believing it would produce permanent harm to the university system. After an emergency meeting with the governor, the regents agreed to lapse $6 million in unspent capital appropriations, with a commensurate reduction in the budget rescission. Staff salaries were frozen and benefits were reduced. The agreement anticipated further reductions in the following fiscal year.

Later in August, the Restructuring Team began its review of campus programs. The team, comprised of the President, the Provost, the Vice President for Finance, the Budget Director and the Director of Government Relations, began a series of two-day visits to review campus strengths and weaknesses, with an eye to redesign of the system. The Restructuring Team examined the patterns of academic, vocational and public/community service programs, the clienteles served, the organizational structure of the campus in support of program delivery, and the cost of services. Four themes were developed:

- the scope of services must be narrowed to accommodate the funding reductions
- delivery of quality services to as many constituencies as possible must be continued
- instruction for credit would be delivered through accredited or readily accreditable units
- visible contributions to the economic future of the State must be increased.

President O'Dowd envisioned a three-phase process, consisting of (1) involvement of groups and individuals internal to the university, (2) involvement of numerous internal and external constituencies, and (3) internal management with frequent feedback loops to users of university programs. Following the campus reviews, the chancellors would meet to discuss findings, present their responses, a plan discussed with the Board of Regents, and consultation with internal and external constituencies on implementation of the plan.

Discussions by the Restructuring Team after the campus reviews quickly progressed to structural change to the university system. The group saw the rapid growth of the system during the 1970s and early 1980s as problematic; growth was fueled more by the amount of money available and political pressure than a sound academic plan. The locally controlled, separate and autonomous community college

campuses had developed administrative superstructures designed for far larger institutions. Local communities couldn't or wouldn't give financial support to the colleges, but lobbied aggressively for the "free" state funding to provide services. Local community college advisory boards had a large degree of authority, but little responsibility or accountability for their actions. Throughout the system, there was no centralized curriculum review process, no common course numbering scheme among institutions, and no accepted articulation agreement among university and community colleges. Many of the institutions had unrealistic mission statements . The needs were vastly different in various regions of the state, and there was not a good match between services and needs. Development of and funding for vocational programs was based on historical needs, rather than current and projected future student needs. Rural residents needed access to continuing education at the baccalaureate level and above, but local colleges did not have an upper division mission and the vast distances in the state made use of the senior campus programs unrealistic.

Debate intensified in October, 1986, when the Governor asked for an additional fifteen percent budget reduction plan for the following fiscal year. Three principal options were considered:

- A single accredited multi-campus university, administered centrally
- Three universities, a single statewide community college, with a reduced central administration
- Three multi-campus universities with both traditional university and community college missions, with a reduced central administration.

The Restructuring Team and the five chancellors debated the options, considering opportunities and problems. Most saw extreme political difficulties with the first and third options, but saw the second option as neither achieving sufficient savings nor meeting long-term academic needs. The third option would mean the merger of two different institutional cultures -- the traditional academic university with the open access, community-based programs of community colleges.

On October 31, 1986, President O'Dowd unveiled his proposal to the Board of Regents. It called for three multi-campus universities, which would merge the open-access community colleges with traditional university institutions. The new structure would have the following features:

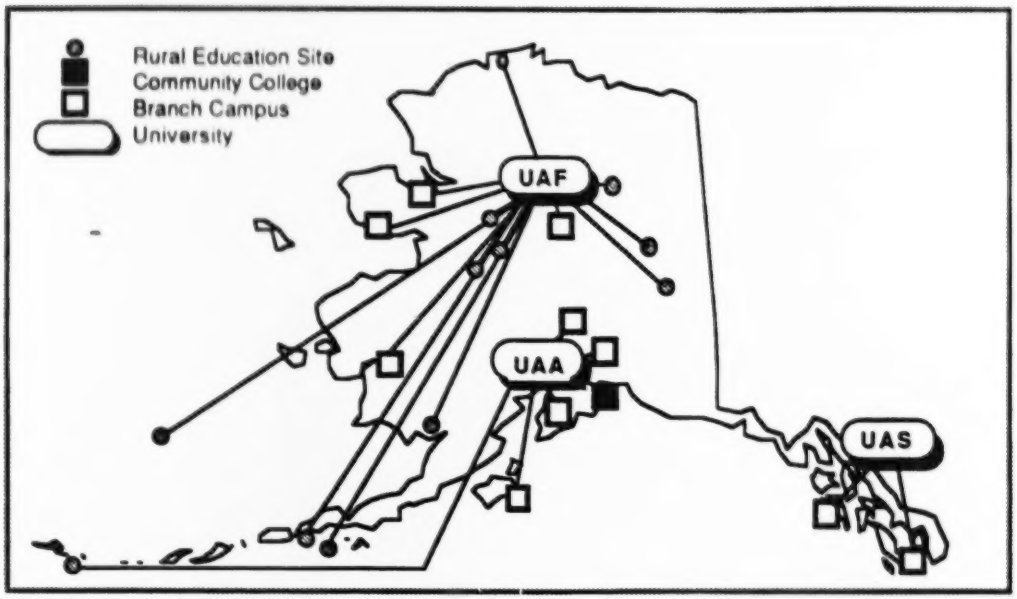
- In Southeast Alaska, the University of Alaska-Juneau and Ketchikan and Islands Community Colleges would be merged into an undergraduate college with a regional mission offering developmental courses and associate and bachelor degrees, providing graduate programs by extension from Anchorage and Fairbanks, and receiving vocational-technical programs from Anchorage.
- In Northern Alaska, the University of Alaska-Fairbanks would merge with Tanana Valley Community College. As part of this institution, a new rural college would merge the rural community colleges (Chukchi, Kodiak, Kuskokwim, Northwest, and Prince William Sound Community Colleges) and the extension centers with responsibility for vocational-technical programs, associate and bachelor degree programs. The Cooperative Extension Service would be associated with UAF colleges.
- In Southcentral Alaska, the University of Alaska-Anchorage and Anchorage Community College would merge. The Matanuska-Susitna and Kenai Peninsula Community Colleges would merge with this unit, offering instruction at the associate, baccalaureate and masters level. A new statewide vocational-technical unit would be formed from the Anchorage Community College program, offering elements of the program throughout the state.
- Once the new institutions were well established, the Statewide Administration would play a narrower and more policy-oriented role.

- A new statewide fisheries and marine science faculty would be created, merging programs throughout the state under the new northern institution. A similar faculty unit for international business would be based at the southcentral institution, and health and medical education and research would be centered at the Anchorage campus.

The public response was immediate and intense. Community college councils, the unionized community college faculty, and concerned citizens attacked the President and his plan. At public hearings throughout the state, hundreds of people criticized portions or all of the plan. A coalition of opponents, the Community College Coalition of Alaska, was formed. Opponents saw the plan as denying the mission of community colleges, changing the nature of the college commitment to students, removing the community service role of the local administrations, abridging local control and autonomy, and possibly breaking the community college teachers' union.

In December, the Board of Regents modified the plan, shifting Kodiak and Prince William Sound Community Colleges to the new Southcentral Institution and making other programmatic changes, then approved the plan and new structure [FIGURE 5]. Significant changes included plans for allowing communities which provide a traditional community college funding base to keep local control, plans for assuring the community college mission was maintained, realignment of some extended colleges, and priority given to remedial/developmental and core lower division courses and programs, and bachelors' level courses and programs at the current community college locations. In Anchorage and Fairbanks, new colleges were created within the universities to provide continuing education, vocational training, and certain other functions of the former community colleges. The regents asked the administration to prepare regular reports on programs at each community which previously had a community college.

FIGURE 5. 1988 University of Alaska System Structure



Major policy issues were identified at the regents' hearings, which became recurrent themes during the ensuing months. These included:

- Protection of the community college mission
- Integration of the unionized community college teachers with the non-union university faculty
- Integration of programs between community colleges and universities
- Maintenance of accreditation of programs and institutions
- Maintenance of community-based advisory structures

III. The Restructuring Process

The restructuring implementation process was to include three phases: (1) consulting groups, consisting of university and community college administrators and staff and representatives of external constituencies, would draft solutions and responses to major issues, to be approved by the chancellors and regents, (2) institutional restructuring advisory committees would develop detailed plans, creating special task forces as necessary, (3) systemwide task forces on rural program delivery, fisheries and ocean sciences, and vocational-technical education would plan organizations for these new units.

While overseeing this implementation process, however, the President's Restructuring Team found that external battles occupied much of its time. When the legislature convened in January, 1987, bills were introduced to separate the community college system from the university. Lawsuits were filed by a school district and by the Community College Coalition. By March, the Coalition announced an initiative campaign designed to separate the community colleges. The initiative, in its entirety, read:

> "There shall be established a separate independent community college system in the State of Alaska. The University of Alaska shall transfer to the community college system of Alaska such real and personal property as is necessary to the independent operation and maintenance of the community college system. The amount of property transferred shall be commensurate with that occupied and operated by the community colleges on November 1, 1986. Properties created for the purpose of joint use by the university and the community college system shall continue to be jointly used."

The Alaska Commission on Postsecondary Education adopted a resolution supporting creation of a separate community college system. The restructuring process slowed down as internal and external debate intensified.

At each meeting of the Board of Regents, further refinements were made in the overall restructuring plan, and specific problems were addressed. The regents approved a policy allowing communities which provided through local funding and tuition at least 1/3 of the local campus budget to maintain a semi-independent community college, with a local administration much like the institutions which existed prior to restructuring. The only community which qualified as of 1987 determined it would keep Prince William Sound Community College under this policy.

The legislature adjourned without action on the separation bills, but the State House passed a resolution asking for reconsideration of the restructuring plan. The university budget was approved at $137 million, with an additional $4 million in restructuring transition funds approved from university interest income. The budget structure followed the lines of the restructuring plan, calling for $6 million in savings from restructuring, $6 million from permanent program reductions, $8 million from compensation reductions, and restoration of $9 million of the emergency reductions made in the previous year. The budget included nearly 50 "legislative intent" statements, asking for protection of the community college mission, for reporting on all events related to restructuring, and creating a special interim committee to oversee and report to the 1988 legislature on the restructuring process.

In May and June, 1987, the regents tackled what had become the most significant problem -- merging of the two faculties. Under the terms of the collective bargaining contract, the university could not force union members to become part of the university faculty. It could offer transfer opportunities, and management had the right to create or eliminate community colleges. The university offered to bargain over the effects of restructuring, but the union insisted on bargaining over the restructuring decision. Some talks were held, but no bargaining commenced. In early June, the regents voted to offer transfer opportunities to all unionized teachers. The offer generated opposition from both community college and university faculty. It provided that:

- All community college teachers with at least seven years of service would be offered automatic tenure in the new institutions (191 faculty members)
- All community college teachers with four to six years of service would be offered multi-year contracts in the new institutions (44 faculty members)
- All community college teachers with less than three years of service would be offered one-year renewable contracts in the new institutions (28 faculty members)
- All community college teachers would be offered up to seven years to stand for tenure
- Community college teachers would be offered faculty rank based on the salary "lane" structure in the collective bargaining contract:
    - Teachers in lanes A and B, which required a bachelors degree or equivalent, would receive instructor rank (56 faculty members)
    - Teachers in lane C, which required a bachelors degree plus graduate study, a masters degree in appropriate fields, or equivalent experience (for vocational teachers), would receive assistant professor rank (29 faculty members)
    - Teachers in lanes D and E, which required masters degrees plus additional graduate study, or equivalent experience (for vocational teachers), would receive associate professor rank (168 faculty members)
- No community college teachers, regardless of terminal degree or experience, would be offered full professorships
- Since the three new institutions were substantively different from the old institutions, the new positions being offered were not bargaining unit positions
- Any teacher who refused the transfer would be laid off after nine months, since there would be no more community colleges.

The union filed a grievance the next day, alleging the university had unilaterally altered a major policy by eliminating the entire community college system, thereby negating all provisions of the collective bargaining agreement. The university denied the grievance, and it was submitted to arbitration. All but one of the community college faculty members signed the transfer papers, although many added notes of protest.

The community college faculty also filed an unfair labor practice charge against the university, alleging willful refusal to negotiate anything but "effects" bargaining, changing salaries and workload without bargaining, changing working conditions, discrimination against union members, failure to present the entire plan to the union, conducting individual bargaining with union members by offering individual reassignments, refusal to recognize the union as the elected representative of employees, and "anti-union animus" by the president. The unfair labor practice decision process was held in abeyance, pending the arbitrator's decision on the union's grievance.

The regents also adopted policies governing the merger of institutions and reduction of institutional support positions in the new institutions. Policies were created to ensure that where several individuals held similar jobs in the old institutions, each would be considered for the job in the new institutions. Those not selected would be laid off, with certain rehire rights.

On July 1, 1987 the new institutions came into existence. The process of combining administrations began. It was most severe in Anchorage, where the three old administrations of the University of Alaska-Anchorage, Anchorage Community College, and the Community Colleges, Rural Education and Extension division were to be merged under a single chancellor. The process for merging administrations provided for notice of "affected position" to all persons holding similar jobs, determination of the best qualified from among those affected, and layoff notices to those not chosen. Systemwide, nearly 100 positions were eliminated, including two chancellors, five vice chancellors, eight deans, 19 directors or campus presidents, and a host of coordinators, managers, other administrators, and associated clerical personnel.

With the creation of the new institutions, the university faced the issue of accreditation. The regents determined each of the three universities, and Prince William Sound Community College, would each seek accreditation, based on its own merits and the quality of its programs, from the Northwest Association of Schools and Colleges, Commission on Colleges.

Over the summer and fall of 1987, the Institutional Restructuring Advisory Committees ("IRACs") and the Special Task Forces began working out details of the restructuring plan. The IRACs began development of recommendations, establishing their own task groups on degree program integration, curriculum integration, administrative structures, faculty integration, governance, outreach, faculty promotion and tenure policies, community advisory committee policies, student services policies, and a myriad of other details. Hot spots included the Vocational Education Task Force and the Rural College Task Force, which were torn by conflicting visions of future organization and mission. In November, 1987, tuition policies for the two Anchorage institutions were merged, effective for the 1988 spring semester. Tuition was set at $37 per credit hour throughout the Anchorage campus, replacing the $40 per credit hour at the former University of Alaska-Anchorage and $35 per credit hour at the former Anchorage Community College.

Names were chosen for the three institutions as follows:

- The University of Alaska Anchorage for the Southcentral Alaska institution
- The University of Alaska Fairbanks for the Northern Alaska institution
- The University of Alaska Southeast for the Southeastern Alaska institution
- The former community colleges had the "community" removed from their names (e.g. Ketchikan Community College became Ketchikan College).

December saw a major victory for the university, when the Northwest Association accepted prospectuses of substantive change for the three universities. The prospectuses detailed how the existing accreditation should be expanded to include the new functions taken on by each institution. Prince William Sound Community College continued to be a candidate for its own separate accreditation.

During the winter of 1987-1988, the IRACs worked on new mission statements for the three institutions. After significant debate, turf battles between institutions, and repeated regents meetings, new mission statements were approved by the regents in February. Each mission statement recognized the broad instructional program offered at the multi-campus universities, spoke to the range of academic and vocational programs to be offered, the research focus, and the long-range focus of the institutions. Each stressed its focus on both the academic traditions of a university and the student- and community-centered orientation of community colleges. The University of Alaska Fairbanks cited its statewide and national constituency, the significant role of research in the institution, the focus on natural sciences, resource management and native culture, and provision of extension and service programs throughout the state. The University of Alaska Anchorage concentrated on health and biomedical sciences, public policy and administration, vocational-technical education, and international business and trade, with an emphasis on Pacific Rim nations. The University of Alaska Southeast emphasized its regional mission, its baccalaureate programs, and selected graduate programs.

In December, 1987, the Community College Coalition announced it had obtained the requisite number of signatures to place community college separation on the 1988 ballot. The university filed suit, alleging the initiative petition violated the state constitution on two counts: the initiative constituted a prohibited appropriation of land from the University of Alaska to the new independent system, and the initiative was unacceptably vague in its failure to specify governance, organization or any other details about the new independent system, and thus did not have the required force of law.

The legislature convened in January, facing the initiative and separation legislation. In February, the university won a major victory when the grievance arbitrator ruled in the university's favor, stating the restructuring was a "legitimate and proper" response by the university to its funding circumstances. In May, the Superior Court judge hearing the initiative lawsuit ruled in the university's favor on the appropriation question, removing the initiative from the fall ballot [no decision was made on the vagueness question]. An appeal to the Alaska Supreme Court is now pending, and is expected to be decided by September, 1988.

The process took its toll on senior administrators. The survivors of the administrative combination in Anchorage were overwhelmed by the magnitude of changes planned, and had continuing difficulties effecting the merger of academic programs and faculty. In December, 1987, the Faculty Senate passed a vote of "no confidence" in the UAA chancellor. In February, 1988, President O'Dowd reassigned the UAA chancellor, taking the assignment himself. The system Provost also became a dual office-holder, taking the UAA academic leadership in addition to system academic leadership. Individual grievances and lawsuits multiplied.

IV. Results

Restructuring is not yet complete. Three major obstacles remain:

- The Alaska Supreme Court will rule by September, 1988, on the initiative lawsuit. If it overturns the Superior Court Judge's ruling, voters will decide in November on whether to create a separate system. Since the ballot question is vague, the issue would be thrown back to the legislature.
- A second grievance arbitration this fall will determine if the university illegally eliminated the bargaining unit for community college faculty, or unfairly treated bargaining unit members.
- The Coalition lawsuit, although dormant, could result in the overturning of the restructuring decision.

Much work remains to be done in integrating academic programs, implementing the statewide vocational-technical program, bringing the rural college to full operations, and developing an advisory committee process acceptable to community leaders.

There are many accomplishments, however. Foremost, the restructuring plan met the primary goal of creating a university system that provided essentially the same level of academic opportunities for the residents of the state while reducing considerably the complexity and cost of the delivery system.

Positive outcomes for students are significant. For students in Anchorage, there is now one registration process for all students, rather than separate processes for Anchorage Community College and the University of Alaska Anchorage. Movement from branch campuses to the main campuses in Juneau, Anchorage, and Fairbanks is now a within-institution transfer, rather than a transfer to a new institution. A simplified course numbering scheme makes understanding of courses and programs significantly easier for both students and faculty. Students now have a single tuition structure within Anchorage and

Fairbanks, rather than a dual community college - university tuition structure. Academic advisement should improve, as advisors can deal with all courses taken by a student, rather than only courses taken at the advisors' separate institutions. On the negative side, some non-traditional students believe that even with open door policies, institutions called universities are not as student-centered as community colleges and will thus provide less service to students.

Students at branch campuses and in rural Alaska will see new positive benefits beginning this fall. Selected upper division and graduate courses will be offered at the branch campuses in addition to the vocational-technical and lower division courses formerly offered by the local community colleges. As demand warrants, full degree program sequences are likely to be offered in education, business and management. Cooperation among the rural colleges in the use of distance delivery technology will make courses formerly offered in only one community or region available throughout rural Alaska, increasing student course choices.

For faculty, the results are mixed. Positive outcomes include the bringing together of faculty that had been in a more isolated educational environment to form a more functional critical mass. A new governance structure increases the visibility and role of faculty in decision-making at the three new institutions, while continuing the faculty participation in the Statewide Assembly of university faculty and staff. Faculty in small departments and disciplines are gaining the benefits of a wider circle of peers. Some university faculty are concerned about the quality of instruction at the former community colleges, and are reluctant to accept transfers of students into baccalaureate programs. Some are worried about an erosion of quality at the upper division level, since the Board of Regents has placed such a large emphasis on maintenance of the community college mission.

On the downside, the volume of issues facing faculty has increased dramatically. Development of new policies for evaluation, promotion and tenure has required increased faculty participation in committee meetings. Each department at each institution has faced problems of integrating curricula of two or more institutions, changing course content to allow simplified course numbering and unified course content descriptions. Many faculty members will be required to move, particularly in Anchorage where many departments are currently split between the old ACC campus and the old UAA campus. The strong tradition of the community college in Anchorage will continue to make it difficult to achieve full integration of programs and services, although many gains have been made.

New policies are being developed to complete the process. During the early months of the coming academic year, the regents are expected to adopt a new governance process for the system, final policies for faculty evaluation, promotion and tenure, and establishment of a new advisory committee structure, and work will begin on a revision to the Six-Year Plan.

Conclusion

Despite the most dramatic general funding reduction to an entire state public higher education system since World War II, the actions taken avoided closing entire institutions, maintained course and program offerings, and allowed the University of Alaska System to avoid the long term negative effects of exigency or significant academic program elimination.

In research conducted by the University of Alaska Budget Flexibility Task Force during the early retrenchment period, no instances of budget reductions of similar magnitude could be found. Over the past several years, some public institutions have been forced to declare financial exigency and some governing boards or legislatures have proposed closing campuses. Few closures have been implemented.

We believe several circumstances made the Alaska experience different from other states which have experienced significant budget reductions or which have attempted to close campuses. First, Alaska's statewide system of higher education is primarily a recent creation, funded by rapid growth in the 1970s and early 1980s. Second, funding for community colleges came almost solely from state revenues and tuition, with little or no local contribution. Several of the community colleges had been created without clear criteria established by the governing board, and owed their existence to political pressures. Third, the focus on restructuring was on maintenance of local program delivery with elimination of local administration, rather than closure of remote or small campuses. Fourth, the Board of Regents balked at the declaration of financial exigency, choosing to forego other projects in order to buy time to make long-term reductions. Finally, and most important, the Board of Regents and President did not bow to the intense opposition to the restructuring plan, believing that no acceptable alternative existed.

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